

EXECUTION

UNABLE TO CONSTRUCT CHANNEL MODIFICATION AGREEMENT

This Unable to Construct Channel Modification Agreement (“Agreement”) is entered into as of December 6, 2017 by and between ION Media San Jose License, Inc. (“ION”) and Amazing Facts, Inc. (“AFI”).

RECITALS

1. ION is the licensee of television stations KKPX-TV, San Jose, California (FCC Facility ID No. 22664) (“KKPX”). KKPX was granted “Unable to Construct” status by the Federal Communications Commission (“FCC”) for its post-auction transition facility on Channel 14. *See* FCC File No. 0000024869.
2. AFI is the licensee of Class A television station K20JX-D, Sacramento, California (FCC Facility ID No. 334) (“K20JX”), that is currently operating on Channel 20 and is not required to move to another channel for post-incentive auction operations. AFI shall take all actions required under the terms and conditions of this Agreement.
3. There is no available television channel that will permit unilateral resolution of KKPX’s Unable to Construct status in compliance with coverage requirements of the Spectrum Act, Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, 126 Stat. 156 (2012), and the FCC’s rules and regulations. Discussions between the FCC and KKPX have resulted in a proposed channel resolution plan under which KKPX would use Channel 33 as its post-auction transition facility. *See* FCC File No. 0000029965.
4. At the request of FCC staff, KKPX has filed an application for the purpose of serving the public interest by resolving KKPX’s Unable to Construct status. In order for that application to be granted, ION’s sister entity, ION Media Sacramento License, Inc. has also filed a contingent application to move its station KSPX-TV; Sacramento, California; FCC Facility ID No. 52953 (“KSPX”) from Channel 22 to Channel 21 and KTXL, LLC has filed a contingent application to move its station KTXL; Sacramento, California; FCC Facility ID No. 10205 (“KTXL”) from Channel 33 to Channel 22. The applications described in this paragraph are referred to herein as the “Pending Applications.” Grant of the Pending Applications would cause interference to K20JX-D in excess of what would otherwise be permitted by the rules. ION has requested waiver of the interference rules to accommodate this excess interference. To resolve this issue, K20JX-D intends to modify its facilities so as to relocate its transmitter to the site described by the geographic coordinates 38-46-21.33 North, 121-12-33.04 West, NAD1983, with a directional antenna at 15 KW ERP (the “Modified Facilities”). AFI agrees to accept any interference in excess of that permitted by the FCC’s rules to the Modified Facilities.

5. FCC staff has represented to KKPX that all reasonable costs incurred by AFI to modify K20JX-D's facilities to permit grant of the Pending Applications will be reimbursable expenses subject to FCC reimbursement pursuant to the Spectrum Act.

AGREEMENT

The parties agree as follows:

1. ION has requested that AFI participate in the resolution of the matter involving KKPX. AFI has voluntarily agreed to do so, provided that it is reimbursed for its reasonable costs incurred in doing so, in order to assist ION in enabling it to operate KKPX and to serve the public interest. AFI anticipates that as part of this resolution, it will be permitted to construct the Modified Facilities. Aside from the understandings reflected herein, no other consideration has been received or promised by or to ION or AFI in connection with this Agreement.
2. KKPX amended its pending construction permit application to move to Channel 33, FCC File No. 0000029965, on October 2, 2017.
3. KSPX filed a construction permit application to move to Channel 21 on October 2, 2017.
4. AFI will file a construction permit application for the Modified Facilities no later than five (5) business days after the date of this Agreement, including a copy of this Agreement.
5. Each of KKPX and KSPX shall file a copy of this Agreement with the FCC as part of their respective construction permit applications (or provide a copy of this Agreement to the FCC by other means as may be requested by the FCC).
6. KKPX and AFI shall take all reasonable steps to ensure that their respective construction permit applications are granted by final order by the FCC. In the event of any litigation, either administrative or judicial, involving the application of K20JX-D, ION shall reimburse AFI for all reasonable attorneys' fees and expenses incurred by AFI in connection therewith, provided that ION may elect to defend any such administrative or judicial litigation on AFI's behalf. In the event that ION abandons its applications specified in Paragraphs 2 and 3 or otherwise notifies AFI that grant of AFI's Modification Application is no longer necessary to ION, ION shall have no obligation to reimburse AFI under this Section for costs incurred after the date of such abandonment or notice to AFI.
7. AFI shall prepare a detailed estimate of its expenses to implement the Modification Application according to the FCC's reimbursement guidelines under the Spectrum Act and shall provide that estimate to KKPX no later than twenty (20) business

days after the filing date of its construction permit application for the Modified Facilities. ION shall reimburse AFI for all reasonable attorneys' fees, reasonable engineering fees, reasonable consultants' fees and reasonable expenses incurred by AFI in compliance with this Section 7, provided that in preparing the estimate required by this Section 7, AFI shall give reasonable consideration to the FCC's reimbursement guidelines.

8. KKPX shall amend its FCC Form 2100, Schedule 399 (FCC File No. XXXX) to reflect the AFI expense estimate within ten (10) business days of receipt.
9. KKPX and AFI shall take all reasonable steps to provide information as requested by the FCC such that the FCC shall approve the K20JX-D expenses as set forth on the KKPX FCC Form 2100, Schedule 399. ION shall reimburse AFI for all reasonable attorneys' fees, reasonable engineering fees, reasonable consultants' fees and reasonable expenses incurred by AFI in compliance with this Section 11, provided that in preparing the estimate required by the Section 11, AFI shall give reasonable consideration to the FCC's reimbursement guidelines.
10. AFI shall promptly remit to KKPX all invoices related to the K20JX-D Modification Application. ION shall reimburse AFI for all reasonable attorneys' fees, reasonable engineering fees, reasonable consultants' fees, reasonable equipment purchases, reasonable installation costs and reasonable expenses incurred by AFI as evidenced in the invoice submissions, provided that AFI shall submit to ION invoices only for expenses that AFI reasonably believes could be reimbursed under the FCC's reimbursement guidelines if K20JX-D were a station eligible for such reimbursement. Reimbursement from ION to AFI under this Agreement shall be made within 21 days of ION's receipt of reimbursement funds from the Broadcaster Relocation Fund for the costs associated with K20JX-D.
11. ION and AFI agree that they will take all steps that are reasonably required to effectuate this Agreement and to obtain FCC approval for the construction permit applications for KKPX to move to Channel 33 and the Modification Application. AFI will provide ION with reasonable assistance in securing ION's requested reimbursement from the FCC for the costs of implementing the Modification Application.
12. ION and AFI each warrant and represent that this Agreement has been approved by such action as is required under their respective governing documents.
13. If a party to this Agreement initiates any litigation against the other party to this Agreement involving the interpretation or application of this Agreement, the prevailing party in such action shall be entitled to request from the Court reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect to that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

14. This Agreement may not be amended except by an instrument in writing signed on behalf of ION and AFI. This Agreement constitutes the entire agreement and understanding of ION and AFI in connection with the move of KKPX to Channel 33 and implementation of the Modification Application and supersedes any and all prior agreements and understandings with respect to the subject matter hereof. Nothing in this Agreement express or implied is intended or shall be construed to give any rights to any person or entity other than ION and AFI and their respective successors and permitted assigns. This Agreement may be executed in counterpart signature pages, and each such counterpart signature page shall constitute one in the same original signature page.

Agreed:

ION MEDIA SAN JOSE LICENSE, INC.



By: Michael Hubner
Title: Secretary

AMAZING FACTS, INC.



By: Allen Arengto
Title: VP Finance